

# KANSAS ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



Kansas is the proud home of the Southwest Kansas Clean Cities Coalition.

## Overview

The State of Kansas offers a state tax credit to fleets of 10 or more vehicles for conversions or purchases of alternative fuel vehicles (AFVs). The Kansas Corporation Commission offers grants of up to \$1,500 per vehicle for conversion or purchase of a compressed natural gas (CNG) vehicle.

## Highlights

- \$ Up to \$1,500 per vehicle from the Kansas Corporation Commission for CNG vehicle purchases or conversions.
- \$ Up to \$2,500 state income tax credit of 50% of cost of factory equipped AFVs or cost of conversion. If the incremental cost of the factory equipped vehicles cannot be ascertained, or if the taxpayer elects to do so, 5% of the total cost of the vehicle, up to \$750 may be taken as a tax credit. A 50% tax credit is offered for purchase and installation of fueling equipment, compressors, and dispensers.

## State Incentives

- \$ The Kansas Corporation Commission operates a CNG fuel conversion grant program. The program offers grants of up to \$1,500 per vehicle for converting a vehicle to CNG, or the purchase of a factory-equipped CNG vehicle. Vehicles must be daily-use delivery or service non-auto (pickups, trucks, vans, station wagons) vehicles. The program is open to the public and private sector in the three major metropolitan areas of the state. The program was funded with \$128,000 in oil-overcharge funds, and the conversion grants will be offered until the money runs out. For more information, contact Otto Sitz at (913) 271-3117.
- \$ The State of Kansas offers an income tax credit for taxpayer expenditures for qualified AFV property, conversion equipment, and refueling property purchased after January 1, 1996. The tax credit is available to anyone who operates a fleet of 10 or more vehicles with an average fleet fuel consumption of at least 2,000 gallons per year.  
  
Between January 1, 1996 and December 31, 1998, the taxpayer may receive a tax credit of 50% of the total cost of conversion, or 50% of the incremental cost of a factory equipped vehicle, not to exceed \$2,500 per vehicle. After January 1, 1999, the tax credit drops to 40% with a \$2,000 per vehicle limit.  
  
Any taxpayer who purchases a factory equipped AFV and is unable or elects not to determine the exact basis attributable to such property shall be allowed a credit not exceeding the lesser of 5% of the cost of the vehicle or \$750. This applies only if the 50% tax credit has not been taken, and only to the first owner. If the tax credit exceeds the taxpayer's tax liability, the amount that exceeds the liability may be carried over for deduction the following year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the third taxable year. For further information, contact Otto Sitz at (903) 271-3117.

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## *Utility/Private Incentives*

**The National Ethanol Vehicle Coalition (NEVC)** is an ad hoc group created by the National Corn Growers Association (NCGA) and the Governors' Ethanol Coalition (GEC) to establish a national program to promote the use of 85% ethanol fuel (E85) as an alternative fuel, enhance agricultural profitability, advance environmental stewardship, and further national energy independence. Through a cooperative effort with the NCGA and its state affiliates, the GEC, state energy offices, and the U.S. Department of Energy, NEVC provides forgivable loans for the installation of public E85 fueling facilities. For more information, contact Phil Lampert at (573) 635-8445 or Sandy Hentges at (573) 636-8590.

## *Laws & Regulations*

A 14¢/gasoline gallon equivalent (gge) tax, compared to a 15¢/gallon tax on gasoline, is available for CNG and propane fuels.

Executive Order 92-152 requires state agencies to use alternative fuels in their vehicle fleets when cost-effective.

State fleets in the Kansas City and Wichita areas are required by Section 1 of House Bill 95-2161 to have a certain percentage of their light-duty vehicles weighing less than 8,500 lbs to be alternative fueled:

- 10% acquired in model year 1996
- 20% acquired in model year 1997
- 30% acquired in model year 1998
- 25% acquired in model year 1999
- 75% acquired in model year 2000 and beyond.

Sections 2 through 5 of House Bill 95-2161 establish an alternative fuels loan program to assist government agencies in purchasing new AFVs. However, no funds have been allocated for this program.

Kansas ethanol producers are eligible for payments of up to 20¢/gallon produced. This program is expected to end in 1996.

Senate Bill 799 (1994) establishes an alternative fuel commission to coordinate, identify, and make recommendations regarding alternative fuels and their use in the state.

## *Points of Contact*

### **Southwest Kansas Clean Cities Coordinator**

Julie Tubbs (316) 544-4440  
Stevens County Economic  
Development Office

### **Future Clean City**

#### **Kansas City Clean Cities Coalition**

Benjamin Watson (816) 531-7283  
Metropolitan Energy Center

#### **Kansas State Energy Office**

Kansas Corporation Commission  
Otto Sitz (913) 271-3117

#### **National Ethanol Vehicle Coalition**

Phil Lampert (573) 635-8445  
Sandy Hentges (573) 636-8590

#### **Kansas State Transportation Contact**

Department of Transportation  
Dennis Slimmer (913) 296-2252

### **U.S. Department of Energy**

#### **Regional Support Offices**

Denver Regional Support Office  
Ernie Oakes (303) 275-4817

### **U.S. Department of Transportation Contacts**

#### **Federal Highway Administration**

Region 7  
Dan Wheeler (816) 276-2750

#### **Federal Transit Administration**

Region 7  
Joan Roeseler (816) 523-0204

#### **General Services Administration**

##### **Regional Fleet Manager**

Region 6  
Ed Hodges (816) 823-3620

#### **U.S. Environmental Protection Agency**

##### **Regional Pollution Prevention Coordinator**

Region 7  
Steve Wurtz (913) 551-7315